



Bettering

Readying for the next orbit

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Note: The figures in the non-statutory section are based on the consolidated financials unless otherwise stated.



Online report
www.greenlamindustries.com

PART 1

An introduction to the 'bettering' world of Greenlam



At no time in the history of our existence has the concept of bettering become more relevant.

Bettering the world.

Bettering environment cleanliness.

Bettering air quality.

Bettering our lives.

Bettering the way we understand each other.

Bettering the way we enhance business trust.

The result is that bettering is no longer limited to select pockets.

It is about the way we can rethink our complete existence.

So that we leave it better for succeeding generations.



At Greenlam, bettering is not just about focusing on the next quarter or year.

It is about addressing the present but investing in the future.

It is about enunciating a clarity of where the company is headed.

It is about creating a Balance Sheet that empowers the company to think big and different.

It is about broad-basing to build a more sustainable business.

It is about creating multiple revenue engines to address a larger market opportunity.

It is about preparing to graduate from the good to the great.

So that we build a well-rounded and profitable business today for tomorrow.

Corporate snapshot

Greenlam.

Among the three largest laminate brands across the globe.

Largest laminate exporter of India for twelve consecutive years.

An integrated multi-surface solutions provider.

Extending from standalone products to a comprehensive solution.

Moving from surface solutions to substrate products.

Entering a new orbit.

Background

Greenlam commenced its business operations in 1993 with a manufacturing facility for laminate sheets at Behror, Rajasthan. The Company expanded its manufacturing to compact panels, cladding solutions, restroom cubicle and locker solutions, kitchen solutions, decorative veneers, engineered wooden flooring, staircase solutions and engineered wooden door sets, in addition to providing a comprehensive range of decorative laminates.

Management

Greenlam Industries Limited is led by Mr. Saurabh Mittal (Managing Director & CEO), possessing more than 25 years of experience in the laminates business. The Company is professionally managed and consists of a strong multi-competence teams that introduced innovative products and expanded the company's footprint. The Company comprised 5000+ employees (including contractual employees).

Listing and valuation

Greenlam Industries Limited continued to be listed on the BSE Limited and National Stock Exchange of India Limited. The Company enjoyed a market capitalisation of ₹4,386.18 cr as on March 31, 2022 (based on the closing price on National Stock Exchange of India Limited).

Best sectorial practices

Greenlam's commitment towards the environment was showcased in confidence-enhancing certifications like FSC, PEFC, ISO 14001 and ISO 45001. The Company enjoyed specific certifications like ISO 9001, CE, UL, NSF, SEFA, Greenlabel, Greenguard and NEMA (US and BS), reinforcing its respect as a quality-driven company. The Company also enjoys a SEDEX certification for Ethical Trade Initiatives.

Wide and deep distribution presence

The Company provided products proximate to consumers. The Company's products were marketed through nine large regional distribution centres, 21 branch offices, five warehouses and 14,000+ distributors, dealers and retailers, among the largest footprints within the sector in India during the year under review. Greenlam's products were also available in over 100 countries, supported by four international distribution centres, 15 international offices, eight operational overseas subsidiaries and 100+ multi-cultural employees.

World-class manufacturing capabilities

Greenlam manufactures products in two state-of-the-art manufacturing facilities in Behror, Rajasthan, and Nalagarh, Himachal Pradesh, possessing a manufacturing capacity of 15.62 mn laminate sheets per annum, 4.2 mn square meters of decorative veneers, 1.0 mn square meters of engineered wooden floors and 1.2 lac engineered doors and frames per annum. The Behror plant also manufactures melamine-faced chip boards, decorative veneers, engineered wooden flooring and engineered wooden doors.

A focus on credible financials

Greenlam de-leveraged its Balance Sheet, strengthened its working capital management through superior trade terms, increased the proportion of value-added products and moderated costs. The result: enhanced competitiveness across market cycles.

Corporate social responsibility

Greenlam is committed to inclusive community engagement. The Company is committed to enhance the life quality of communities around its manufacturing facilities. The Company strengthened its corporate citizenship by engaging with NGOs in the fields of health, education, environment and vocational training.

Export award

2022: Largest exporter of laminates from India for 12 consecutive years



The Plastic Export Promotion Council, India

Our green credentials



The Company manufactures today's products with tomorrow's sensibilities. We manufacture laminates that progressively reduce wood consumption in the manufacture of furniture. The Company makes a responsible use of resources and processes with the key objectives being waste reduction, complete utilisation of natural resources and enhancement of business sustainability.

IGBC	Green label	FSC®	Urea free product	ISO
				
Member of Indian Green Building Council	First Indian brand to be certified by Green Label, Singapore	First Indian brand to get certified with FSC® chain of Custody Certification.	We do not use urea in our laminate manufacturing process	Greenlam Industries has been certified with ISO 9001, ISO 14001 and OH&SMS certifications for all its units



India's leading decorative veneer brand
India's only engineered wooden flooring manufacturer
India's first organised manufacturer of engineered wooden door sets
Now extending to the manufacture of plywood and particle board
Driven by the objective to emerge as an integrated single-point solution provider.

Greenlam. Driven by values

Trust

We trust people to be reliable and responsible and earn their trust similarly.

As an organisation, Greenlam deals with the environment, which includes individual employees, vendors, business partners, investors, customers and society at large with good faith. We trust people and strive to earn the trust of them as well. Therefore, we do not deal with anybody who breaches our trust or the trust placed on us by our environment. The Company empowers its employees by placing trust on them for decision-making in the best interest of the organisation and as per the promulgated norms.

Performance

We value performance across products, people and processes.

The Company considers product to be the core ingredient for sustainability and is therefore, the underlying metric for people, product and process selection for the organisation. Moreover, other values only add to the performance. Performance means delivery on commitment in every parameter. This also refers to the effort and a continuing endeavour to enhance the status quo in order to achieve excellence.

Learning

We encourage learning: creating and nurturing talent.

Greenlam facilitates employee learning and continuously transforms itself. We also support formal learning through structured programs for the empowerment of the people outperforming their individual potential.

Speed and agility

We are quick with our decisions, responses and execution.

The Company values decisions being made without undue procrastination and being implemented within the shortest time possible as we value it as a source of competitive advantage. Therefore, individuals will be held accountable in case of any delay being caused because of them either in the decision making or in the process of implementation. Similarly, we shall respond to the market proactively rather than reacting when the situation reaches a point, where inaction becomes unaffordable.

Teamwork

The Company achieves more through its collaboration with the stakeholders, both internal and external.

Given the inter-linkage of others' output with our performance, we nurture a sense of collective destiny with our environment. Internally, if a peer fails, the team cannot succeed and individual success is negligible in a failed team. Moreover, our customers, partners and investors need to succeed. Therefore, the goals of the organisation come before the goals of the department. Furthermore, dealers, distributors and vendors are our partners.

Products portfolio

Decorative Laminate & Allied Products



Laminates

- Commodity to Premium products



Compact Panels

- Standard Compact Panels
- Lab Guardian - Chemical Resistant Variant
- Restroom & Locker Solutions
- Clads-Façade Panels
- Stratus Kitchen Solutions



MFC

- Melamine Faced Chip Board



Veneer & Allied Products



Decorative Veneer

- Natural Veneer
- Engineered Veneer
- Teak Veneer



Mikasa Floor

- Engineered Wooden Flooring & matching accessories



Mikasa Door

- Engineered Wooden Doors and Door sets (Door + Frames)



Our consolidated financial performance, FY 2021-22

Background

Consolidated net revenues grew 42.0% to ₹1,703.4 cr compared to ₹1,199.6 cr in FY 2020-21, despite a challenging year.

EBITDA grew 7.9% to ₹187.0 cr compared to ₹173.3 cr in FY 2020-21.

PAT grew 22.9% to ₹90.6 cr against ₹73.7 cr in FY 2020-21 (after an exceptional expense of ₹2.6 cr).

Products

Laminate revenues grew 46.1% to ₹1,556.3 cr from ₹1,065.3 cr in FY 2020-21

Decorative veneer revenues grew 6.5% to ₹83.7 cr from ₹78.6 cr in FY 2020-21

Engineered wood flooring revenues grew 15.7% to ₹36.7 cr against ₹31.7 cr in FY 2020-21

Engineered door business revenues grew 11.6% to ₹26.8 cr against ₹24.0 cr in FY 2020-21

Business health

Gross profit in absolute terms grew 26.9% to ₹759.1 cr compared to ₹598.0 cr in FY 2020-21

Gross margin declined 520 bps to 44.6% from 49.8% in FY 2020-21

EBITDA margin de-grew 340 bps to 11.0% from 14.4% in FY 2020-21

Working capital cycle improved by 7 days to 81 days of turnover equivalent

Greenlam in numbers



5 big messages of this Annual Report



What we earned from our business in FY 2021-22



*Profit after tax
+ Depreciation
- Dividend payout

How we allocated our surplus in FY 2021-22



<p>What we achieved in the last 7 years</p>	<div><div><p>We focused principally on the manufacture and marketing of laminates</p></div><div><p>We positioned ourselves as a global company manufacturing out of India</p></div><div><p>We created a company respected for our Balance Sheet integrity</p></div><div><p>We established market leadership in India's laminates space</p></div><div><p>We created a strong brand respected for quality and integrity</p></div></div>
<p>What we achieved in the last one year</p>	<div><div><p>We overcame an unprecedented increase in resource costs</p></div><div><p>We overcame two Covid closures to report record results</p></div><div><p>We enunciated the initiation of the next leg of our growth journey</p></div><div><p>We embarked on building fresh capacity in two locations</p></div><div><p>We strengthened our market leadership</p></div></div>
<p>What we wish to achieve in the next five years</p>	<div><div><p>We will strengthen our Greenlam brand to stand for a complete peace of mind</p></div><div><p>We have charted out a five-year growth roadmap starting 2021</p></div><div><p>We will broaden our portfolio towards a one-stop solution</p></div><div><p>We will deepen our financial discipline and security – across a larger scale</p></div><div><p>We will position ourselves as an integrated surface and substrate solution provider</p></div></div>